

## CHAPTER SEVEN

### RESERVE COMPONENT PAY, BENEFITS, AND ENTITLEMENTS

#### Pay

Reserve component pay is based on the active duty pay scale for the member's grade and length of service. Members of the Selected Reserve typically receive one day's basic pay (plus any special pay to which entitled) for each Unit Training Assembly (UTA) or Inactive Duty Training (IDT) period attended. An example of special pay is flight pay for aircrew members. A UTA or IDT is at least four hours in duration, normally performed on a weekend. During Annual Training, Active Duty for Training, and Active Duty for Special Work (ADSW) periods, members receive essentially the same compensation (basic pay, special pay, reimbursement for quarters and subsistence) as their Active component counterparts--one day's pay and allowances for each day of duty performed. For tours of active duty in excess of thirty days duration, Reservists receive other entitlements such as paid leave, medical, and dental care.

Based upon pay tables effective January 1, 1996, annual earnings for a lieutenant colonel or commander with eighteen years of service are more than \$9,600 for forty-eight unit training assemblies ("drills") and two weeks of annual training. A typical junior enlisted member with three years of service would be paid approximately \$2,300 for attending forty-eight unit training assemblies and two weeks annual training. Reservists with dependents receive an additional allowance for quarters during annual training. See

appendix B for a full listing of annual pay rates for Reservists.

#### Bonuses

In addition to drill pay and two weeks annual active duty pay, many enlisted Reservists may be eligible for a variety of bonuses. Cash bonuses are paid to enlisted members in the Selected Reserve who possess critically needed skills. Qualified non-prior service enlistees can also earn bonuses of up to \$5,000 for a six year commitment to the Selected Reserve. For those members leaving active duty who still have an unfulfilled Military Service Obligation (MSO), a cash bonus maybe paid (up to 50 dollars per month) for each month remaining on the MSO, provided the member agrees to join a unit or individual program in the Selected Reserve. A bonus is also available for prior service members who have fulfilled their MSO of up to \$5,000 for a six-year commitment and up to \$2,500 for a three-year commitment. Are-enlistment bonus of up to \$5,000 for a six- year commitment and up to \$2,500 for a three-year commitment is offered to help recruit and retain members with critically needed specialties.

#### Educational Assistance

The Montgomery GI Bill for the Selected Reserve offers educational assistance towards a baccalaureate or postgraduate degree and for vocational/technical training for officers and enlisted personnel who agree to serve in the Selected Reserve for six years. Reservists

must complete their initial period of training and meet other eligibility criteria before they can receive benefits. Eligible members are entitled to a maximum of 36 months of educational assistance based on full-time training or studies, or the equivalent **part-time** training. The monthly maximum benefit for full-time study is \$190. Benefits end ten years **from** the date of eligibility, provided the member remains in the Selected Reserve. Benefits are continued beyond separation from the Selected Reserve only for members who are entitled to transition assistance due to actions related to the draw-down, and for those who separate due to a disability which was not a result of misconduct.

### **Benefits**

Members of the Ready Reserve have unlimited use of **the** military exchange and morale, welfare and recreation activities and have limited access to the military commissaries. Reserve component personnel may also use military clothing stores, service libraries, and some service clubs. Reservists who perform at least twelve drills yearly and participate in annual training also may elect Servicemen's Group Life Insurance coverage up to \$200,000 coverage for \$18.00 per month.

### **Entitlements**

Members of the Reserve components who complete twenty years of qualifying Federal service are entitled to receive retired pay commencing at age sixty. Pay is based on the pay scale in effect when the Reservist reaches age sixty for the member's rank and years of service. Qualifying years and points can be earned on active duty, inactive duty, or a combination of both, but the last eight qualifying years must be served in a Reserve

component. A qualifying year is one in which a Reservist accumulates fifty or more retirement points: Points are awarded on the basis of one point for each four-hour unit training assembly (UTA) or Inactive Duty Training (IDT) period, each day of active duty, or each three credits of military correspondence studies completed. Fifteen points are awarded annually for membership in the Reserve program. Not more than sixty points for inactive duty training and membership may be credited for retirement purposes during any one year.

For most Reservists, retired pay is computed by totaling all retirement points accumulated and dividing by 360. The quotient is then multiplied by 2-1/2 percent and the resulting percentage applied to the active duty basic pay rate for the grade and number of years of service, using the pay schedule in effect at the time the Reservist commences to draw retired pay (typically at age sixty). Based upon the 1996 pay schedule, a lieutenant colonel or equivalent, retired with three years of active Federal service and twenty years of Reserve component service (about 2,200 retirement points), would receive approximately \$735 per month retired pay beginning at age sixty. Reservists may elect a survivor benefit program providing an eligible spouse, parent, or children with a survivor benefit in event of the member's death. Upon receipt of retired pay, Reservists and their eligible family members receive the same **healthcare** benefits as Active component retirees. Reserve retirees are also eligible to use facilities such as military commissaries, post exchanges, clothing sales stores, theaters, recreation facilities, clubs, guest house accommodations and more. World-wide space-available air travel on military aircraft is also authorized for retired Reservists and their spouses.